

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

GHAZI ABU NAHL, et al.,

v.

GEORGES ZARD ABOU JAOUDE, et al.,

15-cv-09755 (LGS)

Declaration of Dr. Matthew Levitt

DECLARATION OF DR. MATTHEW LEVITT

1. My name is Dr. Matthew Levitt. I make this declaration based on my expertise as a noted expert on international terrorism and terrorist financing. Among other areas, I am an expert on the terrorist group Hezbollah. My most recent book is *Hezbollah: The Global Footprint of Lebanon's Party of God* (Georgetown University Press, 2013).

2. I currently am employed at the Washington Institute for Near East Policy, where I am a Senior Fellow and Director of the Stein Program on Counterterrorism and Intelligence. I am also an adjunct professor at Georgetown University's Edmund A. Walsh School of Foreign Service. Previously, I served as a counterterrorism intelligence analyst with the Federal Bureau of Investigation (FBI) providing tactical and strategic analysis in support of counterterrorism operations. I have also served as Deputy Assistant Secretary for Intelligence and Analysis in the United States Department of the Treasury and worked as a counter-terrorism advisor to the Special Envoy for Middle East Regional Security at the State Department.

3. I have lectured and consulted on terrorism for a variety of government and other organizations, including the U.S. Departments of State, Homeland Security and Justice, and write frequent policy briefs and articles on issues relating to terrorism and U.S. policy. I also am frequently called upon to testify before the United States Senate and House of Representatives as an expert on international terrorism. I have been qualified as an expert witness and provided expert testimony in many U.S. federal court proceedings. I am a life member of The Council on Foreign Relations. A brief version of my CV is attached as Exhibit A.

History of Hezbollah

4. Founded in 1982, Hezbollah ("the Party of God") is not only a major political party and provider of social services in Lebanon, it is also a militant organization that fields both a well-

armed and well-trained militia in Lebanon and a terrorist organization integrated with elements of Iranian intelligence services operating abroad. Even as the movement has undergone a process of “Lebanonization,” through which it has successfully insinuated itself into the Lebanese parliamentary political system, it remains committed not only to its Lebanese identity but to its revolutionary pan-Shi’a and pro-Iran ones as well. Hezbollah is the most politically and militarily powerful party in Lebanon, where it maintains an effective veto power over government policy and has strong influence on government action (or inaction) across Lebanese departments and agencies, including the judiciary.

6. Hezbollah is simultaneously a Lebanese party, a pan-Shi’a movement and an Iranian proxy group. These multiple identities form the foundation and context for the group’s ideology of Shi’a radicalism. The establishment of an Islamic republic in Lebanon was a central component of Hezbollah’s original political platform, released in 1985, though the organization shifted away from that goal in subsequent years. Hezbollah is ideologically committed to the Ayatollah Ruhollah Khomeini’s revolutionary doctrine of *Velayat-e faqih* (Guardianship of the Jurist), creating tension between its commitment to the decrees of Iranian clerics, its commitment to the Lebanese state, and its commitment to the sectarian Shi’a community in Lebanon and its fellow Shi’ites abroad. As a result, its objectives include the sometimes competing goals of establishing an Islamic republic in Lebanon; promoting the standing of Shi’a communities worldwide; undermining Arab states with Shi’a minorities in an effort to export the Iranian Shi’a revolution; eliminating the State of Israel; challenging “Western imperialism;” and coordinating with the paramilitary wing of Iran’s IRGC, known as the Quds Force.

7. From the 1980s to the present, Hezbollah has carried out numerous attacks on American and Israeli civilians as well as the civilians of many other countries beyond Lebanon’s

borders. Furthermore, Hezbollah has deployed its fighters to countries across the region, including Iraq, Yemen, and most notably Syria. Hezbollah has also turned its guns against its own citizens as well. The government of New Zealand determined that Hezbollah's "preplanned and well-coordinated operation" to take over West Beirut and its use of machine guns and rocket-propelled grenades during street battles, fit its definition of a terrorist act.¹ The United States designated Hezbollah as a terrorist organization in 1997. In August 2012, the U.S. Treasury Department blacklisted Hezbollah, already on the Department's terrorism list, this time for providing support to the Assad regime during the Syrian civil war, where civilians have been repeatedly targeted.²

Criminal Financing of Hezbollah

8. A U.S. Treasury official has explained that Hezbollah "relies upon accomplices in the business community to place, manage and launder its terrorist funds."³ A string of U.S. government actions targeting Hezbollah's global criminal enterprises—including Justice Department indictments, Treasury designations, and Congressional legislation—have exposed key parts of this network and their ties to Hezbollah's External Security Organization ("ESO").

9. Over the past several years, Hezbollah's criminal activity has turned away from the petty crime of sympathizers. Today, Hezbollah seeks to leverage the services of organized criminal networks to facilitate its own entry into large-scale organized criminal enterprises. From narcotics to international used car sales, and from money laundering to procurement front companies, U.S.

¹ "Statement of the Case to Designate Lebanese Hizbollah's Military Wing, al Muqawam al-Islamiyya ('The Islamic Resistance'), as a Terrorist Entity," New Zealand Police, October 11, 2010, <http://www.police.govt.nz/sites/default/files/publications/statement-of-case-islamic-resistance-army-terrorist-entity-11-oct-2010.pdf>

² "Independent International Commission of Inquiry on the Syria Arab Republic Established Pursuant to United Nations Human Rights Council Resolutions S-17/1, 19/22 and 21/26," UN Office of the High Commissioner for Human Rights, December 20, 2012.

³ Torbati, Yeganeh, "UPDATE 2-U.S. imposes sanctions on Lebanese man, company for Hezbollah links," Reuters, 7 January 2016, <http://www.reuters.com/article/usa-hezbollah-sanctions-idUSL1N14R1FR20160107>.

law enforcement now sees multiple cases where the Hezbollah-affiliated criminal operators are themselves acting as “super-facilitators” for a tremendously wide range of crimes and clients.

10. Consider the case of Ayman Joumaa and the Lebanese Canadian Bank (LCB). In January 2011, Joumaa was designated a drug kingpin for “laundering as much as \$200 million per month” through Lebanese Canadian Bank (“LCB”) and other channels tied to Hezbollah.⁴ The following month, Treasury designated LCB a primary money laundering or terror financing concern under Section 311 of the USA PATRIOT Act, effectively shutting down the bank. Several months later, in December 2011, the Southern District of New York unsealed a \$483 million civil forfeiture action against LCB with still more damning evidence of Hezbollah illicit financial conduct. Since then, investigators around the world have followed the threads of the LCB case from the United States to Europe, Australia, Africa, and South America, arresting not only garden-variety drug traffickers and money launderers but key “super-facilitators” with ties to senior Hezbollah figures as well.⁵

11. Investigators have pursued so many Hezbollah-related cases that the group can no longer pretend to ignore them, and the press has taken notice. “The U.S. government is intensifying efforts to stop the flow of money to the terror group Hezbollah as officials work more closely with their European counterparts to stymie the organization’s international network,” the Wall Street Journal reported in December 2015. Citing the case of an American suspected money launderer in Colombia with ties to Hezbollah, and cases of suspects arrested in Lithuania, France, and the United States, the Journal cited U.S. officials describing how “Hezbollah uses a variety of means

⁴ U.S. Department of Treasury Press Center, “Treasury Targets Major Lebanese-Based Drug Trafficking and Money Laundering Network,” press release, January 26, 2011, available at <https://www.treasury.gov/press-center/press-releases/Pages/tg1035.aspx>

⁵ Statement of David Asher, “A Dangerous Nexus: Terrorism, Crime and Corruption,” testimony before the House Committee on Financial Services, Task Force to Investigate Terrorism Financing, U.S. House of Representatives, May 21, 2015, <https://financialservices.house.gov/uploadedfiles/114-27.pdf>.

to make, move, and hide cash,” aided by “super-facilitators—moneymen who help various criminal enterprises disguise the sources of their funding.”⁶

12. International law enforcement agencies followed up on cases such as these, leading to still more. For example, in January 2016, investigations by U.S. and European law enforcement—dubbed Operation Cedar—led to the exposure of an organized network of businesses and businessmen specializing in worldwide drug trafficking and money laundering on behalf of Hezbollah and its ESO.⁷

13. Hezbollah’s dependence on money laundering and drug trafficking has continued and even expanded as its monetary situation has deteriorated, strained by tightened U.S. sanctions and the costly Syrian war effort. In February 2016, the U.S. Drug Enforcement Administration (DEA) implicated Hezbollah in a multi-million-dollar drug trafficking and money laundering network that spanned four continents. According to the DEA report, Hezbollah had relationships with South American drug cartels in a cocaine-smuggling network to Europe and the U.S. The proceeds funded a money-laundering scheme known as the Black Market Peso Exchange and provided Hezbollah with “a revenue and weapons stream.”⁸

Hezbollah’s Dominant Position in Lebanon

14. As noted above, Hezbollah has strong influence and effective veto power in Lebanon’s political system. In addition to having representatives in parliament and in the cabinet.⁹

⁶ Devin Barrett, “U.S. Intensifies Bid to Defund Hezbollah,” Wall Street Journal, December 16, 2015, available at <https://www.wsj.com/articles/u-s-intensifies-bid-to-defund-hezbollah-1450312498>

⁷ Statement of David Asher, “Attaching Hezbollah’s Financial Network: Policy Options,” testimony before the House Committee on Foreign Affairs, June 8, 2017, <https://tinyurl.com/vcunkp41>

⁸ United States Drug Enforcement Administration, DEA and European Authorities Uncover Massive Hizballah Drug and Money Laundering Scheme,” February 1, 2016, <https://www.dea.gov/divisions/hq/2016/hq020116.shtml>

⁹ Erin Cunningham and Lousia Loveluck, “Hezbollah, on the rise in Lebanon, sends off Saudi Arabia,” *The Washington Post*, November 26, 2017, <https://tinyurl.com/y77mdbbw>

Hezbollah has many allies in the Lebanese government, including President Aoun¹⁰, Speaker of Parliament Nabih Berri¹¹, and Foreign Minister Gebran Bassil.¹² The U.S. Congress, foreign leaders, and major news outlets have all remarked on Hezbollah's overwhelming influence in the Lebanese government. In October 2017, in light of Congress's update to the Hezbollah International Financial Prevention Act (HIFPA), Congressman Ed Royce said: "I've had long conversations with the government of Lebanon on this, and with ... [Prime Minister Saad] Hariri... These conversations would be more impactful to me and my colleagues if we didn't have an agent of Hezbollah sitting in a room when we have them," referring to Lebanese President Michael Aoun.¹³

15. At the Arab League meeting in Cairo last November, Bahrain's Foreign Minister Sheikh Khalid bin Ahmed Al-Khalifa said that Hezbollah was in "total control" of the Lebanon.¹⁴ The *Wall Street Journal* has reported that Hezbollah has a "substantial amount of influence inside the government,"¹⁵ and *The Washington Post* has called Hezbollah in Lebanon a "political kingmaker."¹⁶ According to the *New York Times*, Hezbollah "controls the international airport and the smuggling routes along the Syrian border, as well as the budgets of the government agencies charged with policing them."¹⁷ This past fall, *The Economist* wrote that "...whether the

¹⁰ "Lebanon: Michel Aoun elected president, ending two-year stalemate, *BBC News*, October 31, 2016, <http://www.bbc.com/news/world-middle-east-37821597>

¹¹ Reuters Staff, "Factbox: Lebanon's Parliament Speaker Nabih Berri," *Reuters*, June 25, 2009, <https://tinyurl.com/y7us7fa6>

¹² David Daoud, "Hezbollah's Latest Conquest: Lebanon's Cabinet," *Newsweek*, January 12, 2017, <http://www.newsweek.com/hezbollahs-latest-conquest-lebanons-cabinet-541487>

¹³ Rhys Dubin, "Lawmakers Target Lebanese Government Support for Hezbollah," *Foreign Policy*, October 3, 2017, <http://foreignpolicy.com/2017/10/03/lawmakers-target-lebanese-government-support-for-hezbollah/>

¹⁴ Bassem Aboulabass, "Lebanon under 'total control' of Hezbollah, Bahrain says," *Times of Israel*, November 19, 2017, <https://www.timesofisrael.com/lebanon-under-total-control-of-hezbollah-bahrain-says/>

¹⁵ Dana Ballout and Matt Bradley, "5 Things to Know About Lebanon's Government," *Wall Street Journal*, August 27, 2015, <https://blogs.wsj.com/briefly/2015/08/27/things-to-know-about-lebanons-government/>

¹⁶ Erin Cunningham and Lousia Loveluck, "Hezbollah, on the rise in Lebanon, fends off Saudi Arabia," *The Washington Post*, November 26, 2017, <https://tinyurl.com/v77mdbbw>

¹⁷ Jo Becker, "Beirut Bank Seen as a Hub of Hezbollah's Financing," *New York Times*, December 13, 2011, <http://www.nytimes.com/2011/12/14/world/middleeast/beirut-bank-seen-as-a-hub-of-hezbollahs-financing.html>

government is led by Mr. Hariri or someone else, it is still Hizbullah that will call the shots. Lebanon will remain the region's punchbag."¹⁸ These comments all corroborate my opinion that Hizbollah effectively controls the Lebanese government through its extensive influence and veto power.

16. Hizbollah uses violence and threats of violence to maintain and enhance its power in Lebanon. Hizbollah members are accused not only of assassinating former Prime Minister Hariri, but are also key suspects in the assassination of several Lebanese journalists, political figures, and security officials, including General Wissam al-Hassan, who, like Hariri, was killed in a massive car bombing in late 2012.

Hizbollah Influence in the Lebanese Justice System

17. Hizbollah's influence in the Lebanese government extends well into the country's judicial system. In multiple cases, Hizbollah members and allies have been excused for their crimes, while, by contrast, the Lebanese government continues to come down hard on Sunni extremists. In one case, Hizbollah fighter Mustafa Hassan Moqaddam open fired on a Lebanese army helicopter in southern Lebanon in 2008, killing the pilot, Captain Samir Hanna.¹⁹ Moqaddam explained to the military tribunal investigating the case that he fired at the helicopter because he believed the area to be under Israel attack.²⁰ Though Moqaddam was arrested, tried in court, and admitted to killing the pilot, he was released one year later.²¹

¹⁸ "Iran and Saudi Arabia take their rivalry to Lebanon," *The Economist*, November 16, 2017, <https://www.economist.com/news/middle-east-and-africa/21731447-while-lebanons-prime-minister-goes-paris-iran-and-saudi-arabia-take-their>

¹⁹ Mitchell Prothero, "Hizbollah fighter explains why he fired on Lebanese army helicopter," *The National*, February 23, 2010, <https://tinyurl.com/ybmuxdbg>

²⁰ Mitchell Prothero, "Hizbollah fighter explains why he fired on Lebanese army helicopter," *The National*, February 23, 2010, <https://tinyurl.com/ybmuxdbg>

²¹ Al-Awsat, "The release of a member in Hizbollah accused of killing a fugitive pilot in Lebanon," Al-Awsat, June 24, 2009, <http://archive.aawsat.com/details.asp?section=4&article=523881&issueno=11160#.Wk-0Cd-nGUi>

18. In another case, former pro-Hezbollah Minister Michel Samaha was detained in 2012 and subsequently convicted in May 2015 of smuggling explosives and planning terrorist attacks in Lebanon.²² At the time, Hezbollah lawmaker Mohammed Raad denounced the arrest, claiming it was a set-up. Meanwhile, in another sign of Hezbollah's intimate ties to Lebanese law enforcement authorities, a Hezbollah security chief reportedly visited police headquarters where he reviewed some of the evidence against Samaha.²³ Not long after, in January 2016, Samaha was freed on bail, pending his retrial.²⁴ Lebanon's Sunni community was infuriated by the decision, since Samaha was found guilty of planning to carry out a plot orchestrated by the Syrian regime which would have triggered sectarian tensions.²⁵ In February 2016, then-Justice Minister Ashraf Rifi resigned in part due to Samaha's release, which he said demonstrated Hezbollah's overwhelming power in state institutions.²⁶ In the words of then-former Prime Minister Saad Hariri, Samaha's release was a "gift granted to a murderer in the name of the law."²⁷ Overall, Hezbollah's influence in such a sensitive and high-profile case was remarkable. Only after Hezbollah strategically abandoned Samaha — because of the embarrassment he caused to Hezbollah and as a bargaining chip for the more pressing objective of getting the Lebanese

²² Aljazeera, "Lebanon's Michel Samaha sentenced to 10 years in prison," Aljazeera, April 8, 2016, <http://www.aljazeera.com/news/2016/04/lebanon-michel-samaha-sentenced-10-years-prison-160408095316142.html>

²³ Nicholas Blanford, "Former Lebanese Minister Arrested for Planning Attacks for Syria's Assad," *Christian Science Monitor*, August 10, 2012, <https://www.csmonitor.com/World/Middle-East/2012/0810/Former-Lebanese-minister-arrested-for-planning-attacks-for-Syria-s-Assad>

²⁴ Aljazeera, "Lebanon's Michel Samaha sentenced to 10 years in prison," Aljazeera, April 8, 2016, <http://www.aljazeera.com/news/2016/04/lebanon-michel-samaha-sentenced-10-years-prison-160408095316142.html>

²⁵ Sami Nader, "Why ex-minister's return to prison may ease Lebanon's political deadlock," *Al-Monitor*, April 25, 2016, <https://www.al-monitor.com/pulse/originals/2016/04/michel-samaha-hariri-military-court-sectarian-strife.html>

²⁶ Aljazeera, "Lebanon's Michel Samaha sentenced to 10 years in prison," *Aljazeera*, April 8, 2016, <http://www.aljazeera.com/news/2016/04/lebanon-michel-samaha-sentenced-10-years-prison-160408095316142.html>

²⁷ Annahar Staff, "Samah's release sparks uproar; ex-minister vows to continue his political career," *Al-Nahar*, January 14, 2016, <https://en.annahar.com/article/301810-samaha-released-on-bail>

government to reject the group's designation as a terrorist organization by the Arab League was Samaha convicted and sentenced.²⁸

19. In another example involving the Lebanese justice system, Hezbollah stood accused by a UN tribunal of playing a role in the February 2005 assassination of former Lebanese Prime Minister Rafiq Hariri. In May 2009, the German weekly *Der Spiegel* revealed that the UN Special Tribunal for Lebanon (STL) investigating Hariri's assassination had implicated Hezbollah operatives in the murder. The STL submitted the warrants to the Lebanese authorities, informing the Lebanese government it was responsible for informing the president of the tribunal of the steps the government was taking to arrest those indicted. However, no arrests were made²⁹ and the four men accused remain at large in Lebanon. It is thus difficult to believe that the Lebanese government was, or continues to be, seriously committed to cooperating with the tribunal.³⁰ This is especially true given that Hezbollah leader Hassan Nasrallah dismissed the charges against the accused Hezbollah members and pledged that they would never be arrested: "They cannot find them or arrest them in 30 days or 60 days, or in a year, two years, 30 years or 300 years."³¹ He even threatened to "cut the hand" of anyone who attempts to arrest Hezbollah members.³²

20. While the Lebanese government has seemingly turned a blind eye to many of Hezbollah's offenses, the government has continuously cracked down on Sunni extremism. For example, in the fall of 2017, a Lebanese military court sentenced Sunni jihadi leader Sheikh

²⁸ Sami Nader, "Why ex-minister's return to prison may ease Lebanon's political deadlock," *Al-Monitor*, April 25, 2016, <https://www.al-monitor.com/pulse/originals/2016/04/michel-samaha-hariri-military-court-sectarian-strife.html>.

²⁹ Rima Maktabi, "Four Hezbollah members indicted in Hariri's death, says source," *CNN*, June 30, 2011, <http://www.cnn.com/2011/WORLD/meast/06/30/lebanon.hariri.indictments/index.html>

³⁰ "Trial for Lebanon PM's killing can continue in absentia: court," *Reuters*, July 11, 2012, <https://tinyurl.com/vc9uv2ul>

³¹ "Lebanon tribunal names 4 suspects in Hariri killing," *Reuters*, July 29, 2011, <https://tinyurl.com/va9qpbqs>

³² Heather Murdock, "Expected Hezbollah Indictments Have Lebanese on Edge," *Voice of America*, November 21, 2012, <https://www.voanews.com/a/expected-hezbollah-indictments-have-lebanese-on-edge-109880654/131054.html>

Ahmed Assir to death, who had been in jail for organizing deadly clashes between his supporters and the Lebanese army in Sidon.³³ Though Assir was a Sunni extremist who incited and directed violence in Lebanon, the announcement of his death sentence sparked Sunni protests across Lebanon. For many Sunnis, the case of Assir only further underscored Shia power and Hezbollah's overt bias in government.³⁴

Conclusion

21. Hezbollah is the dominant political and military force within Lebanon, where it and its allies are able to influence and even veto government policy. The group is increasingly involved in conflicts across the Middle East, and continues to engage in terrorist attacks and criminal activities around the world. Hezbollah loyalists are employed throughout the Lebanese government, and the group has demonstrated its ability to influence decisions by the Judiciary, in particular. As such, the notion that litigants in this case could get a fair hearing in Lebanon is unfounded. It is unreasonable to believe that a case so directly involving and impacting Hezbollah and its supporters would be able to make its way through the Lebanese judicial system unhindered by the political, financial and military pressures Hezbollah is able to muster within the country.

Pursuant to 28 U.S.C. § 1746 and under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge.

Dated: January 19, 2018


Matthew Levitt

³³ Aljazeera, "Lebanon sentences Ahmed al-Assir to death," *Aljazeera*, September 28, 2017, <http://www.aljazeera.com/news/2017/09/lebanon-sentences-ahmed-al-assir-death-170928203554043.html>

³⁴ David Schenker, "Iran's Shadow over Lebanon," The Washington Institute, October 4, 2017, <http://www.washingtoninstitute.org/policy-analysis/view/irans-shadow-over-lebanon>